

DOCKET SECTION

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268

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Postal Rate and Fee Changes, 1997

POSTAL RATE COMMISSION
OFFICE OF THE CLERK
Docket No. R97-1

**RESPONSE OF GREETING CARD ASSOCIATION
WITNESS ERICKSON TO INTERROGATORIES AND REQUESTS
FOR PRODUCTION OF DOCUMENTS OF UNITED STATES POSTAL SERVICE
(USPS/GCA-T1-1-15)**

Greeting Card Association ("GCA") hereby provides the responses to the following interrogatories of the United States Postal Service, USPS/GCA-T1-1-15, filed on January 14, 1998.

Each interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,



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**RESPONSE OF GREETING CARD ASSOCIATION
WITNESS KEN C. ERICKSON
TO INTERROGATORIES OF THE UNITED STATES POSTAL SERVICE**

USPS/GCA-T1-1 Please identify the portions of the Postal Reorganization Act pursuant to which the Commission can or should consider your testimony.

As a non-lawyer, I believe my testimony relates to Sec. 101(a) which directs the Commission to consider the importance of the mail to binding the nation together and language in Sec. 3622(b) that directs the Commission to consider the educational, cultural, and scientific importance of the mail. My testimony is particularly directed toward the cultural significance of greeting cards as a component of first-class mail. I also believe my testimony relates to Sec. 403 which directs the Postal Service to provide adequate and efficient postal services at fair and reasonable rates, and to provide types of mail service to meet the needs of different categories of mail and mail users.

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USPS/GCA-T1-2 Starting at page v of your testimony, you discuss a national telephone survey. Is this survey subject to the foundational requirements in the Rules of Practice, e.g., Rule 31(k)?

a. If not, why not?

b. If so, where is that foundational or other material? If it has not been filed, please provide it.

The survey which supports portions of my testimony appears to me, as a non-lawyer, to be subject to the rules governing "other sample surveys." The requirements of Sec. 31 (k)(2)(ii) are listed below and I indicate either where the material may be found or provide clarification to address the section:

Sec. 31 (k)(2)(ii)(a): "A clear description of the survey design, including a definition of the universe under study, the sampling frame and units, and the validity and confidence limits that can be placed on major estimates."

A clear description of the survey design is found on pages 24 - 29.

The universe under study is Americans who receive greeting cards (see page 25).

The sampling frame is described beginning at section VA on page 25 through section VB on page 28.

The sampling units are individual households defined operationally by the presence of a telephone listing for the household.

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Validity is a function of how questions are asked and depends upon the substantive significance posited for responses. These topics are discussed in the construction of the sample on page 26, line 10 through page 27, line 15. Validity is also discussed throughout section VD. The statistical confidence limits that can be placed on estimates are described in footnote 37 on page 26.

Sec. 31 (k)(2)(ii)(b): "An explanation of the method of selecting the sample and the characteristics measured or counted."

The method for selecting the sample is described in sections VA on page 25 through page 27 and in footnote 38 on page 27. The characteristics measured or counted are the respondent's agreement or disagreement with statements about the importance of greeting cards found on page 28 in section VC and listed on page 29. The entire text of the telephone survey is found in Exh. GCA-2, pages 4 - 6.

Sec 31(k)(2) requires "a comprehensive description of the assumptions made, the study plan utilized, and the procedures undertaken."

Section VA through VD contains the study plan and results, and also details the analytic procedures followed in making sense of the survey data.

The general assumptions made in the survey research were those generally made in sample survey research and shared by cultural anthropologists. These are foundational assumptions regarding human subjects' ability to understand the questions and answer honestly, and the likelihood that the survey research firm will faithfully execute the survey and tabulate the data. The assumption about question intelligibility was checked through careful review of the survey questions by me in consultation with Dr. Terrie Catlet of Elrick and

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Lavidge. Dr. Catlet holds a doctorate in political science and is experienced in telephone survey research and statistical data analysis. The survey also assumed that there would not be significant biases from not surveying persons without telephones. That number of persons without phones is small enough to state that their exclusion did not materially effect the conclusions drawn from the survey.

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USPS/GCA-T1-3 At page v, you indicate that the focus of the survey was limited to greeting cards sent through the mail.

- a. Why was this limitation imposed?*
- b. Of total greeting card volume, what portion goes through the mail?*
- c. Is there any reason to believe that cards sent through the mail have materially different cultural value from those exchanged by other means? Please comment on the respective cultural similarities and differences between the two groups of cards.*
- d. Are there any other means of exchanging messages that carry the cultural signals you identify with greeting cards? Please identify each and the extent to which each can serve as a substitute for greeting cards.*

(a) As the testimony is for a postal rate hearing, I felt it appropriate to limit the focus of the survey to greeting cards sent through the mail.

(b) According to information provided to me by Ms. Marianne McDermott of the Greeting Card Association, about two-thirds of all United States greeting cards are sent through the mail. An estimate of the number sent through the mail may be calculated from data that follows section IV, page 20, Vol. I of the 1996 USPS Household Diary Study.

(c) There is good reason to believe that cards sent through the mail have materially different cultural value from those exchanged by other means. Greeting cards that come in the mail are not generally accompanied by the person from whom they are sent. The sender is not present to interpret the card, to discuss the card with the recipient, or to evaluate the response of the recipient to the card. Greeting cards sent through the mail rely on their iconic content, along with any sender-written message, to convey meaning. Greeting cards

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handed in person by the sender to the recipient do not have those limitations but hand delivery is limited by time and distance. Greeting cards sent through the mail are not limited by time and distance in the same way. They can go to a number of geographically dispersed recipients, and a large number can be sent simultaneously (unlike telephone calls).

(d). There are no other means of exchanging messages that carry the signals I identify with greeting cards.

Greeting cards signal their message both by their material features (art, words, paper) and by the cultural context (when and how) in which they are transmitted. *The cultural context surrounding a greeting card that comes in the mail is not the same as the context surrounding a card that is delivered in person. Nor is the context surrounding other cultural performances or artifacts quite the same as the context surrounding greeting cards that come in the mail.* The only item in the present-day mailstream that seems a potential candidate to take the place of greeting cards is the personal letter. It can embody past, present, and future states of a relationship. It may be set in a social context and displayed for others to see, enjoy, and comment on--and interpreted and reinterpreted according to the cultural and contextual background in which the letter is sent. Like a greeting card, it has a material existence apart from the performance that generates it and thus can transcend time.

On the other hand, a personal letter does not usually contain artwork. My mother-in-law, a former elementary school teacher of no small linguistic ability, pointed out recently that greeting cards are good "when you just don't have the right words." A greeting card can provide the "right words" when a letter writer cannot.

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USPS/GCA-T1-4 Please provide copies of all documents provided to you or relied upon by you in developing your testimony beyond those cited in your testimony.

See attached material.

In addition, I especially reviewed for format purposes the Direct Testimony of James R. Clifton on behalf of the Greeting Card Association and the Rebuttal Testimony of Victor S. Navasky on behalf of American Business Press which can be found in the public record in Docket No. PRC 95-1 in the docket room at the Postal Rate Commission.

Shopping for [REDACTED] Card: Time Spent Per Card												TOTAL	MAX CARD	TOTAL
	1	2	3	4	5	6	7	8	9	10	11	TIME	TIME	CARDS
A	21.25	21.25										29	21.25	2
B	3.00	3.50	4.50	8.00	10.50	16.50	19.00					19	19.00	7
C	4.50	6.25	7.75	10.25								15.5	10.25	4
D	28.50	29.00										29	29.00	2
F	4.50	9.50	10.00									14.5	10.00	3
H(1)	8.00	9.75	18.75									21	18.75	3
H(2)	8.00	9.50										21	9.50	2
I	2.50	2.75	4.75	7.00	8.00	9.25	8.50	10.00	19.5	21.5	25	30.25	25.00	11
J	5.75	6.00	17.75									24.75	17.75	3
K	20.50	21.00										21.5	21.00	2
L	4.00	5.75	11.25	15.50								17	15.50	4
M	3.00	3.25	5.25	8.00								10.25	8.00	4
O	8.25	9.00											9.00	2
P	5.50	7.00	10.50	12.00	14.25	13.50						19.5	18.50	6
AVG	9.09	10.25	10.06	10.13	10.92	14.42	13.75	10.00	19.50	21.50	25.00	20.94		
S/D	8.17	7.88	5.29	3.20	3.15	5.43	7.42					6.04		
													CORRELAT	0.276
													MAX	29.00
													Average	4
*NOTE: O IS LEFT OUT OF TOTAL TIME SHOPPING STATISTICS BECAUSE THE TAPE WAS NOT A CORRECT REPRESENTATION OF TIME SPENT.														
O	8.25	9.00										9.25		
*WARNING: These data may not to be used to form statistically valid generalizations beyond the sample they represent.														



Greeting Card Industry Fact Sheet

- In 1995, 7.4 billion greeting cards will be purchased by American consumers, generating a projected \$6.3 billion dollars in U.S. retail sales.
- Of the total greeting cards purchased annually, roughly half are seasonal and the remaining half are everyday cards. Sales of alternative cards, especially non-occasion cards, are on the increase.
- The most popular card-sending holidays are, in order, Christmas, Valentine's Day, Easter, Mothers Day and Father's Day.
- People of all ages and types exchange greeting cards. Women purchase approximately 85-90 percent of all greeting cards, and the average card purchaser is a woman in her middle years, although the historically steady demographic picture may be changing.
- Cards range in price from \$.35 to \$10.00, with the average card retailing for around \$1.50. Cards featuring special techniques and new technologies are at the top of this price scale.
- The average person receives 30 cards per year, eight of which are birthday cards.
- Estimates indicate that there are more than 1,500 greeting card publishers in America ranging from major corporations to small family organizations. Greeting Card Association members together account for approximately 90 percent of the industry market share.

Greeting Card Association

1200 G Street, N.W. Suite 760 Washington, D.C. 20005 (202) 393-1798

Making Every Occasion Special since 1941



Total U.S. Retail Sales of Greeting Cards

1995 (projected)	\$6.3 billion
1994	\$5.9 billion
1993	\$5.6 billion
1992	\$5.3 billion
1991	\$5.0 billion
1990	\$4.6 billion
1989	\$4.2 billion
1988	\$3.9 billion
1987	\$3.8 billion
1986	\$3.7 billion
1985	\$3.5 billion
1984	\$3.2 billion
1983	\$2.7 billion
1982	\$2.5 billion
1981	\$2.35 billion
1980	\$2.1 billion

NOTE:

In 1942, the first year of GCA's existence, total greeting card sales were \$43 million (wholesale). At that time there were only about one hundred manufacturing firms in the industry. Today GCA's industry directory lists approximately 1,500 companies.



Greeting Card Industry

7.4 Billion Pieces

<u>Everyday Cards</u>	<u>1995 (Projected)</u>	<u>1994</u>
Birthday	16%	16%
All Other Everyday Counter	12%	12%
Everyday Packaged Assortments	16%	16%
<u>Seasonal Cards</u>		
Christmas	35%	35%
Valentine's Day	12%	12%
Spring	8%	8%
Fall	1%	1%

1994 Greeting Card Unit Sales

Total Number of Cards Projected to sell in 1994 = 7.4 billion

<u>Occasion</u>	<u>1993 Units</u>	<u>1994 Projections</u>
Christmas	2.4 billion	2.6 billion
Valentine's Day	+ 900 million	+ 950 million
Easter	158 million	156 million
Mother's Day	155 million	155 million
Father's Day	102 million	102 million
Graduation	81 million	81 million
Thanksgiving	42 million	42 million
Halloween	32 million	+35.5 million
Saint Patrick's Day	17.5 million	19 million
Jewish New Year	12 million	12 million
Hanukkah	11 million	11 million
New Year's	10 million	10 million
Grandparent's Day	+4 million	+ 4 million
Sweetest Day	2 million	2 million
Passover	2 million	2 million
Secretary's Day	1.6 million	1.6 million
National Boss's Day	1 million	1 million
Mother Inlaw's Day	800,000	800,000
April Fool's Day	500,000	500,000
Nurses' Day	500,000	500,000

EXECUTIVE SUMMARY

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EXECUTIVE SUMMARY

The Household Diary Study (HDS) is a multi-year market research study of mail originating and destinating in households. This study now provides a continuous comprehensive description of the household portion of the mailstream. Data are collected on a Postal Year basis.

This report presents and compares data collected over the past nine years, Postal Year 1987 (September 27, 1986 through September 25, 1987) through Postal Year 1995 (September 19, 1994 through September 17, 1995). Due to space limitations, findings are presented here for 1987, 1994 and 1995.

The Household Diary Study surveys 5,300 households a year, each of which is given an entry interview and then asked to keep a week-long record of every mail piece received or sent by the household. Information collected includes mail class and subclass, identity (by sector and industry) of mail senders and recipients, content, household attitude towards mail, and household demographics.

TOTAL MAIL OVERVIEW

This initial report section includes a review of mail volume by sector (Household/Nonhousehold), by class (First, Second, Third, Fourth and Government mail), by content (Advertising, Bills, Financial Statements and Personal), by advertising classification (First-Class Advertising Only, First-Class Advertising Enclosed, First-Class Business Invitations/Announcements, Third-Class Regular, Third-Class Requests, Third-Class Nonprofit and Third-Class Nonprofit Requests), as well as by electronic alternatives to hard copy mail (Computer, Modem and Fax Machine).

A. Volume by Sector

After declining somewhat between 1987 and 1994, the percentage of domestic mail either originating or destinating in households has returned to near 1987 levels during the past year.

Total Household Mail:	<u>1987</u>	<u>1994</u>	<u>1995</u>
(percent)	69.1	65.8	68.6

Congruent with the above trend, the percentage of the total domestic mailstream sent by nonhouseholds to nonhouseholds increased slightly during the past nine years.

Nonhousehold to Nonhousehold Mail	<u>1987</u>	<u>1994</u>	<u>1995</u>
(percent)	30.9	34.2	31.4

The pieces sent or received by the average household per week increased between 1987 and 1995 with all of the increase stemming from nonhousehold to household mail. Personal household mail volume actually showed a decline over this period perhaps reflecting the substitution of telephone and other electronic communications for written correspondence. Major categories are shown below.

Total Household Mail:	<u>1987</u>	<u>1994</u>	<u>1995</u>
(pieces per week)	23.0	23.1	24.1
Nonhousehold to Household Mail:	<u>1987</u>	<u>1994</u>	<u>1995</u>
(pieces per week)	18.5	19.2	20.0
Household to Household Mail:	<u>1987</u>	<u>1994</u>	<u>1995</u>
(pieces per week)	1.6	1.3	1.3

B. Volume by Class

Two of the five categories of mail under review, First-Class Mail, and third-class mail showed increases in volume from 1987 to 1995. Government, second-class mail and fourth-class mail showed decreases during this time (in terms of pieces received per household per week).

	<u>1987</u>	<u>1994</u>	<u>1995</u>
First-Class	8.64	9.20	9.53
	<u>1987</u>	<u>1994</u>	<u>1995</u>
Second-Class	1.69	1.43	1.37
	<u>1987</u>	<u>1994</u>	<u>1995</u>
Third-Class	9.77	9.91	10.42
	<u>1987</u>	<u>1994</u>	<u>1995</u>
Fourth-Class	.06	.06	0.5
	<u>1987</u>	<u>1994</u>	<u>1995</u>
Government	.36	.32	.27

C. Volume by Content

In all nine years of the study, the greatest proportion of mail received by a household consisted of pieces containing advertising, accounting for more than one half of the total mail received. The percentage of Advertising related mail increased from 1987 to 1995 as did the percentage of mail consisting of Bills and Financial Statements. Another major category, Personal mail, declined from 1987 to 1995. Percentage of mail pieces for these major categories are shown below.

	<u>1987</u>	<u>1994</u>	<u>1995</u>
Advertising	55.8	64.2	65.1
	<u>1987</u>	<u>1994</u>	<u>1995</u>
Bills	12.5	13.7	13.4
	<u>1987</u>	<u>1994</u>	<u>1995</u>
Financial Statements	4.2	4.4	4.4
	<u>1987</u>	<u>1994</u>	<u>1995</u>
Personal	7.5	6.0	5.9

D. Advertising Overview

Six of the seven major advertising categories that are used in this study showed growth during the past nine years. Third-class requests is the only category in which *percentage of pieces* did not increase from 1987 to 1995. Note that third-class regular advertising, as a percentage of the total mail pieces, continues to be more than twice as much as all First-Class Mail advertising combined. Advertising pieces received, as a percentage of total mail pieces received by households, is shown below, for each of seven major categories.

	<u>1987</u>	<u>1994</u>	<u>1995</u>
First-Class Advertising Only	4.7	5.6	6.4
	<u>1987</u>	<u>1994</u>	<u>1995</u>
First-Class Advertising Enclosed	5.5	7.7	7.5
	<u>1987</u>	<u>1994</u>	<u>1995</u>
First-Class Business Invitations/Announcements	1.2	3.6	3.3
	<u>1987</u>	<u>1994</u>	<u>1995</u>
Third-Class Regular	30.7	34.3	35.5
	<u>1987</u>	<u>1994</u>	<u>1995</u>
Third-Class Requests	0.5	0.5	0.4
	<u>1987</u>	<u>1994</u>	<u>1995</u>
Third-Class Nonprofit	2.4	2.8	2.7
	<u>1987</u>	<u>1994</u>	<u>1995</u>
Third-Class Nonprofit Requests	3.2	3.5	3.6

When households were asked how likely they were to respond to advertising pieces, **third-class nonprofit elicited the highest *will respond* rate.** First-Class Mail, however, has shown the largest increase during the past nine years increasing from 11.1 percent in 1987 to a 16.6 percent *will respond* rate in 1995.

	<u>1987</u>	<u>1994</u>	<u>1995</u>
First-Class (% will respond)	11.1	17.8	16.6
Third-Class Bulk Regular (% will respond)	<u>1987</u> 14.6	<u>1994</u> 15.2	<u>1995</u> 14.8
Third-Class Bulk Nonprofit (% will respond)	<u>1987</u> 17.9	<u>1994</u> 17.7	<u>1995</u> 18.0

Over the past nine years, there have been shifts in advertising mail reading patterns; the percentage of advertising mail *usually read* has decreased, whereas each of the other categories show a slight increase.

	<u>1987</u>	<u>1994</u>	<u>1995</u>
Usually Read	19.6	15.5	13.2
Usually Scan	<u>1987</u> 40.4	<u>1994</u> 42.9	<u>1995</u> 41.3
Read Some	<u>1987</u> 29.6	<u>1994</u> 31.1	<u>1995</u> 33.3
Usually Don't Read	<u>1987</u> 9.1	<u>1994</u> 9.2	<u>1995</u> 11.1

Households also generally indicated that they *wish they got less advertising in the mail*. This percentage has increased during the past nine years. There is a segment of households, however, who would like more advertising.

	<u>1987</u>	<u>1994</u>	<u>1995</u>
Wish got less	30.4	45.4	50.0
	<u>1987</u>	<u>1994</u>	<u>1995</u>
Don't mind getting some	62.5	45.9	42.8
	<u>1987</u>	<u>1994</u>	<u>1995</u>
Want more	5.6	6.6	5.5

E. Electronic Diversion of Household Mail

The use of electronic alternatives to hard copy mail has been increasing steadily for the past several years, but use is much more extensive in the business environment than in households. Despite the fact that fax machines and electronic mail are used heavily in businesses, nonhousehold to nonhousehold mail volume has not yet shown a decrease, nor has nonhousehold to household mail. **Household ownership of the equipment necessary for electronic mail is increasing, especially in high income and education households, but at least for the present, households seem to be much more comfortable with hard copy mail.** Less than one percent of households use computers with modems or faxes to pay their bills.

<u>Households</u>	<u>1987</u>	<u>1994</u>	<u>1995</u>
Own Computer	NA	25.5	31.2
	<u>1987</u>	<u>1994</u>	<u>1995</u>
Own Modem	NA	11.2	14.4
	<u>1987</u>	<u>1994</u>	<u>1995</u>
Own Fax Machine/Board	NA	5.3	8.1

FIRST CLASS MAIL

This report section focuses on First-Class Mail and includes a review of First Class Mail volume by sector (Households/Nonhouseholds), First-Class Mail content (Bills, Business/Invitations, Announcements, etc.), First Class Mail advertising (Stand-Alone Advertising, Advertising Enclosed, Invitations/Announcements), business reply mail (Business Reply vs. Courtesy Reply usage), industry selections of different rates (i.e., Use of Presort, Use of Zip+4), composition of each rate category (Envelopes, Cards), timeliness of arrival (Differences by Region, etc.), and mail to nonhouseholds (Method and Timing of Bill Payments and Mail Order Purchases).

A. First-Class Mail Volume by Sector

Over the period from 1987 to 1995, there was a steady increase in the average weekly *number of pieces* of First-Class Mail either going to or from households. Paralleling those changes, there was a percentage increase in First-Class Mail received from and sent to nonhouseholds.

	<u>1987</u>	<u>1994</u>	<u>1995</u>
Nonhousehold to Household (pieces per week)	7.0	7.9	8.2
	<u>1987</u>	<u>1994</u>	<u>1995</u>
Household to Nonhousehold (pieces per week)	2.1	2.2	2.4
	<u>1987</u>	<u>1994</u>	<u>1995</u>
Household to Household (pieces per week)	1.6	1.3	1.3

	<u>1987</u>	<u>1994</u>	<u>1995</u>
Nonhousehold to Household (percent)	40.6	43.0	44.8
	<u>1987</u>	<u>1994</u>	<u>1995</u>
Household to Nonhousehold (percent)	12.2	12.2	13.2
	<u>1987</u>	<u>1994</u>	<u>1995</u>
Household to Household (percent)	9.1	6.9	7.0

As shown in the 1987 to 1995 period above, there has been a decline in the number of pieces of household to household mail. The largest drop in this category occurred with letters, which declined from .46 pieces per week in 1987 to .35 pieces in 1995.

Although households now receive less mail from other households, they showed an increase in mail received from nonhouseholds during the past nine years. As indicated below, of the three major First-Class Mail categories, the largest increase occurred in mail sent by Businesses. Increases also occurred in the Government and Social/Charitable/Political/Nonprofit First-Class Mail categories.

	<u>1987</u>	<u>1994</u>	<u>1995</u>
Businesses (pieces per week)	5.87	6.70	6.95
	<u>1987</u>	<u>1994</u>	<u>1995</u>
Government (pieces per week)	0.34	0.49	0.49
	<u>1987</u>	<u>1994</u>	<u>1995</u>
Soc/Char/Pol/Nonpr. (pieces per week)	0.59	0.64	0.64

In terms of percentage of First-Class Mail volume, the largest current users are banks (5.87%), credit card companies (5.70%) and insurance companies (4.43%). Among the many sub-categories included in the Business First-Class Mail category, the largest gains in number of pieces during the past nine years occurred in the credit card (increase of .54), insurance (.13), and telephone (0.8) areas.

B. First-Class Mail Content

The largest volume of First-Class Mail, in terms of content, continued to be bills. Bills constituted 2.9 pieces per household per week in 1995 vs. 2.6 pieces in 1987. The fastest growing First-Class Mail, by content, is business invitations and announcements (.26 pieces in 1987 to .70 pieces in 1995).

C. First-Class Mail Advertising

When advertising-only, advertising-enclosed and business invitations and announcements are combined, the total First-Class Mail advertising received by a household showed a substantial increase. The increase consisted of a change from 2.36 pieces in 1987 to 3.73 pieces in 1995, a 58% gain during this time.

Stand-Alone Advertising

Between 1987 and 1995, stand-alone advertising showed a slight increase. The increase consisted of 0.5 pieces per household per week over this period. Usage of First-Class Mail advertising-only seems increasingly concentrated in the major user industries.

Advertising Enclosed (Stuffers)

In addition to advertising-only mail, an increasing amount of First-Class Mail advertising is sent enclosed with other items such as bills. This volume increased 0.43 pieces over 1987. Credit card companies and banks are the industries most likely to include advertising stuffers along with their other mail. The fastest growing sender of advertising stuffers was the nonprofit sector, rising 67 percent over the nine year period.

Invitations/Announcements

The per household volume of invitations and announcements has increased substantially. Between 1987 and 1995, volume increased from .26 pieces to .70 pieces. An examination of these mail pieces shows that *invitations/announcements* were in fact primarily advertising related material and for purposes of this study they are now considered as a form of advertising.

D. Business Reply Mail

Volume of courtesy reply mail continued to easily exceed business reply mail in 1995. In 1987, 7.7 percent of First-Class Mail received by households contained business reply mail, while 30.5 percent contained courtesy reply mail. In 1995, 10.0 percent of First-Class Mail received by households contained business reply mail, while 32.1 percent contained courtesy reply mail. In terms of pieces per week, households received .82 pieces containing business reply mail and 2.63 pieces containing courtesy reply mail in 1995.

E. Industry Selections of Different Postal Rates

The major users of First-Class Mail differ in the rates at which they send the highest proportions of their mail. Banks, one of the largest users of First-Class Mail, send almost two fifths (39.3 percent in 1995) of their mail five-digit (non-ZIP+4) presort, with most of the rest sent either nonpresort (23.6 percent) or pre-barcode (31.8 percent). Department stores have a very different pattern, sending the highest proportion of their mail pre-barcoded (38.6 percent in 1995), followed by nonpresort (25.2 percent in 1995). In most rate categories, usage decreased with the addition of a separate category for pre-barcoding in the diary.

Use of Presort

Over the nine year study, there was an increase in the percentage of nonhousehold First-Class Mail sent presort or pre-barcode to households. There was an 11.2 percentage point increase from 53.9 to 65.1 percent. Usage increased for almost all industries with the computer sector showing the largest growth (15.4% in 1987 to 47.1% in 1995). The number of pieces sent presort or pre-barcode to households increased from 3.7 to 5.3 pieces per household per week.

Use of Zip+4

Usage of total ZIP+4 increased substantially over the first five years of the study. Usage grew for almost every industry. However, since 1991, there has been a significant decrease in ZIP+4 pieces qualifying for the rate. The percent of pieces sent by nonhouseholds to households qualifying for the ZIP+4 rate decreased from 8.9 percent in 1991 to 1.5 percent of all First-Class Mail in 1995.

F. Composition of Each Rate Category

The Household Diary Study provides a detailed look at who uses each rate category. The percentages presented in this section refer to what percentage an industry's mail, or a type of mail, was of total mail sent at that rate, not just of household mail. Total mail volumes for each rate were measured by the Postal Service's RPW sampling system.

Envelopes

As reported by the RPW system, most of the total First-Class mailstream, (94.8 percent in 1995), was sent as envelopes. In 1995, households sent or received about 65.3 percent of the total amount of envelopes in the mailstream, an increase of 2.4 points over 1987. The remaining 34.7 percent of envelopes were sent business-to-business.

Nonpresort envelopes constitute the majority of all envelopes sent. In 1995, 60.5 percent of all envelopes were sent nonpresort. Between 1987 and 1995, total nonpresort envelopes grew more slowly than presort envelopes.

In 1995, households received 74.0 percent of all presorted envelopes, down 2.7 points from 1987. As with all rate categories, the major usage of presort envelopes was for bills, which constituted 30.9 percent of all presort envelopes. The other major uses for presort envelopes were for financial statements and advertising.

In 1995 about 36 percent of all envelopes sent were sent at five digit (or ZIP+4) presort rates, while only 3.3 percent were sent carrier-route presort. The volume of carrier route presort is so low that it can be difficult to obtain precise projections from the RPW sampling system.

Cards

The volume of cards received by households increased between 1987 and 1995 (from .48 to .56 pieces per household per week). In 1995, 65.7 percent of all First-Class cards were either sent or received by households. The remaining 34.3 percent was nonhousehold-to-nonhousehold mail. By content, cards are most heavily used for advertising.

G. Timeliness of Arrival

In all years of the study, households reported a high level of satisfaction with First-Class Mail service. The vast majority (91.8% in 1995) of pieces either arrived on time or sooner, or were not expected to arrive on any special day. Over the nine years, the percentage of First-Class Mail arriving on time or sooner increased from 19.0 to 23.6 percent. The percentage of pieces that arrived late declined from 1.4 to 0.8 percent between 1987 and 1995.

In all years, the percentage of pieces that arrived late varied very little by Postal Quarter or region, indicating considerable consistency of mail service satisfaction throughout the year and throughout the country.

H. Mail to Nonhouseholds

In 1995, 13.2 percent of all First-Class Mail was sent by households to nonhouseholds. Of this mail, about 12% was sent in response to advertising, while the rest was for business transactions and payments not in response to advertising. The percentage of First-Class Mail sent by households to nonhouseholds increased by 1.01 percentage points from 1987 to 1995, and the number of pieces of First-Class Mail sent by households to nonhouseholds increased from 2.10 to 2.42 pieces per week during this time. Though it is not possible to identify the content of outgoing mail with the same precision as incoming mail, it is clear that the distinguishing feature of most of the mail (more than 79 percent) sent by households to nonhouseholds, is that it contained some type of payment.

Method of Bill Payment

Data from the entry interview shows that a majority of a household's bills were paid by either mail or in person, and that only a small percentage were paid by electronic means. Over the nine year period of the study, the number of payments made per month increased from 9.14 to 9.84.

Timing of Bill Payments

Timing of bill payments varied from household to household with the two main timing modes being "once a month" (33.8 percent of households in 1995) and "as they become due" (27.4 percent of households in 1995).

Purchases of Mail Order

Diary data showed that households increased mail order purchases by phone from 1987 to 1995. The percentage of mail order purchases made by phone increased from 31.0 to 54.3 percent over the nine year period, a gain of 75 percent, while the number of mail order purchases ordered through the mail declined from 67.2 to 43.5 percent.

The relationship between urbanicity and receipt is similar for magazines and newspapers. Households in major metropolitan areas received fewer magazines by mail than households in rural areas. The average number of magazines received by a household in the center of a major metropolitan area was .6 pieces per week in 1995, while rural households received 1.2 pieces per week.

C. Impact of Demographics

Second-class mail receipt is affected by demographic factors such as household income, age and education of head of household. In 1995, pieces received increased gradually with income, ranging from 0.9 pieces for households earning less than \$7000 per year to 1.9 pieces for households earning over \$65,000 per year. In terms of age, receipt was greatest for those aged 65 and over. Second-class mail also increases with education, with graduate degree heads receiving almost two and one-half times the volume of high school graduates.

D. Satisfaction with Delivery

The percentage of second-class mail that arrived later than expected was much lower in 1995 than in 1987 (3.8% in 1987 vs. 2.0% in 1995). In 1995, satisfaction with delivery was greatest in small towns, with late arrival decreasing from 2.7 percent in 1987 to 1.3 percent in 1995. Late delivery also declined in cities, suburbs and rural areas between 1987 and 1995 and during this time late delivery decreased in four of the five geographical sections of the country.

THIRD-CLASS MAIL

This report section focuses on Third-class mail and includes a review of bulk regular mail by content and by industry usage, by addressing (Specific Name vs. Occupant/Resident), by seasonality (Quarterly Differences), by Zip Code Usage (ZIP+4 vs. 5-digit etc.), by shape (Industry Shape Preferences, Shape by Rate, Shape by Addressee, ZIP Code Usage by Shape, etc.), by factors affecting receipt of Third-class regular mail (Income, Age, Education, Credit Card Usage, etc.), by reaction to Third-class regular mail (i.e., Read, Looked At, Useful, Interesting), by response to advertising (Would Respond, Not Respond, etc.) by shape (Letter Size Envelopes, Larger than Letter Size etc.) and response by method of addressing (Specific Name vs. Occupant/Resident). This section also examines Third-class bulk nonprofit mail by shape, by sector and content, by demographics and by intended reaction.

Third-class mail receipt increased between 1987 and 1995 (by 0.92 pieces per household per week). Most of the increase was in bulk regular mail, up 0.76 pieces to 8.61 pieces per week. Note that the 8.61 pieces includes .09 packages per week. (Packages will be discussed in a separate packages section of this report.) Bulk rate nonprofit mail decreased .04 pieces to 1.86 pieces per household per week. Bulk regular carrier route presort mail grew from 3.90 to 4.62 pieces over the nine year period. Bulk regular non-carrier route presort increased from 3.88 to 3.90 pieces per week.

A. Content and Industry

Content

In 1995, a high percentage of bulk regular mail sent to households was clearly identified as advertising, (90.4 percent, up from 80.9 percent in 1987).

Industry

Household receipt of bulk regular mail increased slightly over the nine year period from 73.7 to 74.4 percent in 1995. Notable decreases were shown in two merchant industries, supermarkets and department stores, down .14 and .20 pieces per household per week, respectively. The mail order industry shows a sharp increase during this time (from 1.27 to 1.93 pieces). The financial and social/charitable sectors showed some increase over the survey period. The service sector however showed a significant increase from .51 pieces in 1987 to .84 pieces in 1995.

B. Addressing

The volume of mail addressed to specific members of a household grew while the volume addressed to occupant/resident declined. This may reflect easier access to household name lists arranged by geographic areas, demographic characteristics and lifestyle patterns as well as growth of more targeted mailings.

Most industries sent a large proportion of their mail addressed to a specific person, especially those industries in the financial sector. The largest sender of third-class regular mail, the mail order industry, sent almost 96.0 percent of its mail fully addressed. However, a number of other large users sent substantial proportions of mail to resident/occupant. Supermarkets sent 85.0 percent of their mail to resident/occupant (down slightly from 87.7 percent in 1987) and restaurants sent 79.5 percent in 1995 which is up from 77.6 percent in 1987.

C. Seasonality

Third-class bulk regular mail exhibited mixed seasonality patterns over the nine years of the survey. On a quarterly basis, overall volumes have been historically highest in Quarters 1 and 3 with 1987 receipt at 8.2 and 8.4 pieces per household per week, respectively. In 1995, the same pattern holds true with Quarter 1 receipt at 9.4 pieces and Quarter 3 at 8.9 pieces per household per week. Note that some industries have patterns that differ from this overall relationship.

D. ZIP Code Usage

ZIP+4 usage increased dramatically over the past nine years. The percentage of ZIP+4 mail received by households increased from 2.2 to 59.1 percent from 1987 to 1995. During this period 5-digit decreased significantly, from 92.5 to 37.4 percent of third-class bulk regular mail. The largest portion of the decrease was a shift from 5-digit to full ZIP+4 addressing.

E. Shape

The following data on shape is restricted by two factors. The study does not provide information on business to business packages which comprise approximately 25 percent of third-class mail. Also, diary shapes are not strictly equivalent to postal shape definitions.

Industry Shape Preference

Industries vary considerably in the shapes they use. The largest sender of third-class, mail order companies, sent 60.0 percent of its mail as catalogs in 1995. This represents a shift in usage from letter size and larger than letter size envelopes which have both fallen since 1987. Publishers primarily used larger than letter size envelopes, which grew over the past nine years, from 34.1 to 39.1 percent in 1995.

Shape by Rate

Mail shapes varied in rate and addressing characteristics. Non-carrier route rates were preferred for envelope mail, though there has been an increase in the use of carrier route rates to send envelopes and a decrease in non-carrier route rates in the past nine years. Flyers/circulars, the most popular pieces sent carrier route, fell from 1.46 to 1.15 between 1987 and 1995.

Shape by Addressee

In 1995 most pieces in letter size envelopes (87.4%), larger envelopes (93.1%) and catalogs (90.2%) were addressed to specific household members. On the other hand, 93.7 percent of detached label cards were addressed to occupant/resident.

ZIP Code Usage by Shape

There was a large shift from mail sent with a 5-digit ZIP code to mail sent with a ZIP+4. The most significant shift into ZIP+4 was in a catalogs not in an envelope (2.9 percent in 1987 to 78.4 percent in 1995). Large shifts are shown in every shape except detached label cards.

F. Factors Affecting Receipt of Third-Class Regular Mail

Three of the variables which have a large effect on the amount of bulk regular mail received by a household are income, age of household head, and education of household head. Over the survey period, third-class mail has been targeted to households whose demographic characteristics (i.e., higher income, higher household educational level and a household head between 35 and 69 years of age) were linked to heavy receipt of most kinds of First-Class Mail.

As would be expected, mail was targeted to previous mail order purchasers. In 1995, households that had no mail order purchases in the past year received 7.9 bulk regular pieces per week while households that made 11 or more mail order purchases received 17.7 bulk regular pieces per week. The proportion of mail sent to previous recipients differed by industry. Of the three largest senders, department store mail was much more likely to be sent to a previous customer, (80.0 percent) than mail order company mail (52.9 percent in 1995) or publisher mail, (45.3 percent in 1995).

Receipt of bulk regular mail increased with the number of credit cards held. In 1995, if no credit cards were held, 4.4 pieces of bulk regular mail were received; while if more than eight cards were held, 12.8 pieces were received.

Rate

Non-carrier route is composed primarily of mail addressed to a specific person, while carrier route is more evenly distributed between pieces addressed to a specific person and pieces addressed to occupant. In 1995, 63.8 percent of third-class non-carrier route mail was addressed to a specific person. The primary portion of third-class bulk regular addressed to "occupant" was carrier route (88.0 percent). Over the past nine years, the share of carrier route volume addressed to specific persons increased. The percentage of fully addressed carrier route pieces increased from 30.2 percent in 1987 to 48.6 percent in 1995. Fully addressed pieces comprise a significant portion of the total non-carrier route mail received by households.

C. Sender and Content of Packages

The majority of packages received from all carriers combined tended to be from businesses rather than friends or relatives. Nearly 52 percent of First-Class and Priority package mail combined was received from businesses, and about 39 percent from friends and relatives. About one-third (31 percent) of Express Mail sent to households in 1995 was from businesses, while over 70 percent of parcel post package mail was received from businesses. By content, the Postal Service delivered 96.2 percent of records, tapes or CD's received, and 94.3 percent of books, reflecting the use of special fourth-class and bound printed matter rates. UPS was preferred by many direct mailers. Its largest shares of deliveries were in the catalog order and store order categories (41.0 and 25.8 percent, respectively, still considerably less than Postal Service percentages).

D. Use of Special Services

Relatively few packages that were received included special services. Insurance, at 0.8 percent of USPS deliveries, was the service most frequently seen on packages received. The other special services combined totalled 0.7 percent.

E. Packages Sent

Households sent considerably fewer packages per week (.07) than they received, (.30) reflecting the high level of packages received that had been sent by businesses rather than other households. Households sent 82.2 percent of their packages via the Postal Service. They sent 61.6 percent of packages First-Class Mail or Priority, 8.2 percent special fourth class and 4.1 percent third-class.

F. Demographics

There is an increasing tendency for households earning over \$50,000 to use UPS to send their packages (20.0 percent in 1987 vs. 28.6 percent in 1995). Middle income households (\$25K to \$49.9K) however, actually showed a decrease in UPS usage during this time (17.8 percent in 1987 vs. 8.3 percent in 1995). Of the six urbanicity classifications examined, suburban and "other metro" households both show an above average tendency to use UPS.

FEDERAL GOVERNMENT MAIL

This report section focuses on Federal Government mail and includes a review of penalty mail and franked mail.

A. Penalty

Over the nine year period, the number of pieces of penalty mail declined (from .30 to .25 pieces per week). First-Class penalty mail is more than five times as large as third-class. Of First-Class Mail pieces, the majority (58.4 percent in 1995) were payments to the household or invitations and announcements. Financial statements from the government are up over the nine year period through 1995 from 5.8 to 6.5 percent.

B. Franked

Franked mail stayed relatively constant over the first eight years of the study, however it dropped in 1995 to .02 pieces per week. The percentage of franked mail going to households increased considerably from 45.5 percent in 1987 to 70.3 percent in 1995, which is also up 1.4 percent from 1994. The majority of franked mail sent to households is sent third-class. However, First-Class has increased considerably over the study period from 8.3 percent to 17.6 percent in 1995.

FACSIMILE TRANSMISSION



Greeting Card Association

DATE: 10/28/97

NUMBER OF PAGES: 1

FROM:

M. M. DERMAT

Greeting Card Association (GCA)

1200 G Street, N.W.

Suite 760

Washington, D.C. 20005

Phone: (202) 393-1778

Fax: (202) 393-0336

TO:

Name: KEN ERICKSON

Company: _____

Fax #: (816) 235-1117

COMMENTS: Ken - we believe 2/3 rds of all
greeting cards purchased are mailed
or approximately 5 billion. To be
conservative, we could say between
60-70%. We are checking out the
source for this but go ahead and put
it in your draft.

This facsimile contains PRIVILEGED AND CONFIDENTIAL information, intended only for the use of the Addressee(s) named above. Any dissemination or copying of this facsimile is strictly prohibited.

**RESPONSE OF GREETING CARD ASSOCIATION
WITNESS KEN C. ERICKSON
TO INTERROGATORIES OF THE UNITED STATES POSTAL SERVICE**

USPS/GCA-T1-5 On page 3 of your testimony, you introduce a paragraph with, "When a nation's mail system begins to be used for other than official or governmental messages. . ." Do you believe that domestic mail service in the United States was ever intended primarily or exclusively for use with official or governmental messages? If so, when did this change? If not, what is the significance of this statement?

I do not believe that domestic mail service in the United States was ever intended primarily or exclusively for use with official or governmental messages, but I believe that the development of institutionalized long-distance communication generally has its origins in governmentally-controlled, official communication rather than in communication among individuals and households. The imperial Inca's use of *quipu* and relay-runners are an early example of long-distance communication for government and official purposes. The significance of my statement was to suggest that interpersonal and inter-household communication is now a significant share of the mailstream where it seems not to have been so in early complex societies; the development and rapid growth in Christmas greeting cards in the British mail's penny post in the last century bears witness to this.

**RESPONSE OF GREETING CARD ASSOCIATION
WITNESS KEN C. ERICKSON
TO INTERROGATORIES OF THE UNITED STATES POSTAL SERVICE**

USPS/GCA-T1-6 On page 7, line 6, you use the term "non-biological stuff."

- a. Is this a term of art to anthropologists?*
- b. Please define the term.*

It is not a term of art, just an attempt to distinguish two epistemic domains: the biological and the cultural. The term is used here to indicate that culture includes those aspects of human existence that are not directly attributable to human biology and its physical/chemical foundations.

**RESPONSE OF GREETING CARD ASSOCIATION
WITNESS KEN C. ERICKSON
TO INTERROGATORIES OF THE UNITED STATES POSTAL SERVICE**

USPS/GCA-T1-7 Are you asserting in the discussion starting on page 10 that cultural value has no economic value? Why or why not? Please explain fully.

I am asserting that cultural and economic value may be distinguished. On page 10 at lines 5 - 7 I state that cultural value "does not replace the view of value in classical economics, the view that surrounds notions of *homo economicus*." Not everything with cultural value has economic value. A Kansas sunset may have great cultural value but it may not, strictly speaking, be bought or sold.

**RESPONSE OF GREETING CARD ASSOCIATION
WITNESS KEN C. ERICKSON
TO INTERROGATORIES OF THE UNITED STATES POSTAL SERVICE**

USPS/GCA-T1-8 Prior to the development of your testimony, had you done any work in your professional capacity that involved the greeting card industry? If so, please provide the dates and describe the substance of that work.

Prior to the development of this testimony, I conducted three projects involving the greeting card industry. These were the only projects I have ever undertaken for the greeting card industry. The first two projects are listed in my curriculum vita (Exh. GCA-1, page 3). They were both presentations at Hallmark Cards, Incorporated, in preparation for which I spent about three days compiling research and preparing a lecture. The first, "Crossing Ritual Borders," was presented in August of 1996. That presentation was about cultural identity and shifts in meaning of gifts across and within national cultures. The second, "That Mom/Mother Thing" was presented in November of 1996. That presentation dealt with sociolinguistic conventions surrounding terms of reference and address in American kinship.

The third project, reported in section IV of my testimony, was the ethnographic research among greeting card shoppers. It was conducted in April of 1997. The focus of the study was to explore the "fit" between card shopper needs and the card purchased by the shopper.

**RESPONSE OF GREETING CARD ASSOCIATION
WITNESS KEN C. ERICKSON
TO INTERROGATORIES OF THE UNITED STATES POSTAL SERVICE**

USPS/GCA-T1-9 Please identify the “researchers from Hallmark Cards, Inc.” (page 14 lines 17-18) by position, and describe their qualifications and respective roles.

The two researchers were William Strickler, MBA, who is Business Research Manager for Emerging Opportunities. He has held that position at Hallmark Cards, Inc. since October 1, 1995. The other researcher was Lori Givan, MBA, who is a project leader for the Emerging Opportunities Team at Hallmark Cards, Inc.; she has held that position since November of 1995.

These two persons acted as collaborative researchers using the model documented in Donald D. Stull and Jean J. Schensule's *Collaborative Research* (Boulder, Colorado: Westview Press, 1987). Mr. Strickler and Ms. Givan were not the lead researchers, but their contacts in their field provided entry to a card shop for my research. In some instances, they worked with me as camera operators as I conducted my participant observation. They helped insure that the research process and analytic products were interpretable to their internal clients. Putting research clients to work as co-researchers is standard practice in applied anthropology, where the goal is to produce results that are both *scientifically trustworthy and meaningful to the persons with whom the anthropologist is working* (see *Doing Team Ethnography: Warnings and Advice* by Ken C. Erickson and Donald D. Stull, Sage Publications, 1997).

**RESPONSE OF GREETING CARD ASSOCIATION
WITNESS KEN C. ERICKSON
TO INTERROGATORIES OF THE UNITED STATES POSTAL SERVICE**

USPS/GCA-T1-10 Please provide copies of all documentation furnished by or on behalf of Hallmark Cards, Inc. that in any way informed your research.

A copy of the summary version of the USPS Household Diary study is provided. That was the only document furnished me by or on behalf of Hallmark Cards, Inc. that in any way informed my research or the preparation of my testimony.

j.

**RESPONSE OF GREETING CARD ASSOCIATION
WITNESS KEN C. ERICKSON
TO INTERROGATORIES OF THE UNITED STATES POSTAL SERVICE**

USPS/GCA-T1-11 Are any constituents of the mail stream in addition to greeting cards "part of American cultural rituals" (page 20 line 8)? If so, what are they? If not, why not? Please explain fully.

In a sense, all the contents of the day's mail are part of the daily American cultural ritual involving the receipt of the mail.

Some elements within the days mail are more dense with cultural significance than are others. Some have significance for different cultural arenas. Bills and advertisements are about economic transactions. Personal letters and greeting cards may include messages about economic transactions, and they may, of course, be full of economic significance, but they always carry cultural significance. Personal letters are part of American cultural rituals, though perhaps to a lesser extent than greeting cards because they do not seem to appear in the mailstream as often as greeting cards do (see the Postal Service's Household Diary Study of 1996).

For example, the arrival of garden-seed catalogues in February signals the coming end of winter, but they arrive because of the possibility of an economic transaction, not because the seed companies want to ritually mark the coming of Spring. Personal letters and greeting cards may mark cultural rituals and/or individual sentiment; they facilitate the reproduction of cultural norms through shared meanings and icons, and they derive their meanings from sources that include a potentially limitless array of significance. Pieces of mail that solicit or respond to economic exchange can not shed their pecuniary significance. Greeting cards and letters, if they have pecuniary significance, can shed it. Catalogues, bills, advertisements, and even magazines are either seeking the recipient's money or arrive because the recipient has requested or paid for them--not so for greeting cards and letters.

**RESPONSE OF GREETING CARD ASSOCIATION
WITNESS KEN C. ERICKSON
TO INTERROGATORIES OF THE UNITED STATES POSTAL SERVICE**

USPS/GCA-T1-12 In connection with the introduction to your national survey (pages 24-25), you indicate that you selected survey topics of inquiry that were "likely" affected by greeting cards.

- a. Of those that were selected, were they all seen as equally likely, or were some posited as more or less likely to be affected?*
- b. What topics of inquiry were considered and rejected, and why?*

Not all were seen as equally likely. Some, topics, like the questions about appreciating art and photography (on page 29 lines 9-10) and knowing the changing of the seasons (page 29 lines 19-20), were considered less likely.

I considered all the topics included in the Outline of Cultural Materials (OCM) and in the Table of Contents of Notes and Queries in Anthropology (cited in my testimony on page 24, line 22 and page 25, line 1; see also the citation on page 25, footnote 35). Those rejected were determined not to be part of greeting cards' cultural significance based on my own cultural competence. All the topics in the OCM or in the Table of Contents in Notes and Queries that did not appear in the survey were rejected because I felt that they did not connect to the cultural significance of greeting cards.

**RESPONSE OF GREETING CARD ASSOCIATION
WITNESS KEN C. ERICKSON
TO INTERROGATORIES OF THE UNITED STATES POSTAL SERVICE**

USPS/GCA-T1-13 Please identify an authoritative citation for "theoretical sampling" (page 26, line 18) and briefly describe your understanding of its goals and methods.

B. Glaser and A. Strauss, the authors of The Discovery of Grounded Theory (Chicago: Aldine, 1976) are generally regarded as the developers of theoretical sampling. Theoretical sampling argues that sample development may follow theoretical rather than strict statistical criteria. The goal of theoretical sampling is to locate strategic data that can reinforce or refute research hypotheses. An adequate sample may, under theoretical sampling, be reached with a lower number of cases (a smaller *n*) depending on the topic of study than could be achieved in a statistically derived sample. Such a sample may be said to have substantive rather than statistical significance as long as the reasons for the sample can be clearly explicated.

**RESPONSE OF GREETING CARD ASSOCIATION
WITNESS KEN C. ERICKSON
TO INTERROGATORIES OF THE UNITED STATES POSTAL SERVICE**

USPS/GCA-T1-14 Why is an address on the outside of a greeting card (page 41, line 1) necessary to its cultural value?

An address is necessary for a greeting card to be sent through the mail and cards sent through the mail are the subject of my testimony. The return address also informs the recipient of the greeting card's source (as may the handwriting or typewriting on the address itself).

**RESPONSE OF GREETING CARD ASSOCIATION
WITNESS KEN C. ERICKSON
TO INTERROGATORIES OF THE UNITED STATES POSTAL SERVICE**

USPS/GCA-T1-15 Please provide a copy of the contract with Elrick and Lavidge, Inc. pursuant to which the telephone survey was conducted, redacted as necessary to protect any proprietary or commercially sensitive information.

The requested material is attached hereto.

KANSAS CITY OFFICE
2408 Grand Ave., Suite 1280
Kansas City, MO 64108
(816) 221-8117
(816) 221-8422 (Fax)



FAX TRANSMISSION COVER SHEET

Date: 09/19/97

To: Marianne McDermott, Exec. V.P.

Company: Greeting Card Assoc.

From: Dr. Terri Catlett, Acct. Man.

Phone # of Sender: 612-293-3354

Subject: Postage Rate Survey

Number Pages (Including cover): 3

Remarks: ☐ Urgent ☒ For Your Review ☐ Reply ASAP ☐ Please Reply

Message:

Marianne:

Thank you for the opportunity to offer a proposal for your Postage Rate Survey research project. Per our phone conversation earlier this week, this fax outlines Erick & Lavidge's method, timing, and costs for conducting this research. Please don't hesitate to call me if you have any questions. We look forward to the possibility of working with you on this project.

Sincerely,

Terri Catlett, Ph.D.

Method

- This research primarily will accomplish the following research objective:
Determining cultural significance of greeting cards. (E&L will receive input from Cultural Anthropologist Dr. Ken Erikson to ensure this primary objective is met.)
- 200-400, 5-minute interviews will be conducted via telephone with respondents qualified as follows:
 - At least 18 years old.
 - At least 10 percent Hispanic ethnicity.
 - At least 10 percent African-American ethnicity.
 - Approximately 80 percent general population.
- Because a truly random, nationally representative sample is cost prohibitive due to the low incidence and low cooperation rate of ethnic minorities in the general population, we recommend the following sampling alternative to guarantee that at least 20 percent of the sample includes ethnic minorities.

Nationally representative, general population sample consists of random digit dial phone numbers. Ethnic numbers are randomly generated, but phone numbers include exchanges with a high incidence of being within an ethnic region. Dr. Erikson will provide a list of exchanges by zip code that best represent U.S. African American and Latin American populations.

Timing

- Suggested timing for this research is as follows:

Activity	Date	Responsibility
Authorize project, begin questionnaire development, sample exchanges to E&L	Sept. 22	GCA, E&L
Approve final questionnaire	Sept. 25 p.m. or Sept. 29 early a.m.	GCA
Interviewing	Oct. 2-8	E&L
Data processing	Oct. 9-15	E&L
Final tables, SPSS file to GCA	Oct. 15	E&L

Marianne McDermott
09/19/97
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- Total costs for this project, including study design and complete project management, questionnaire construction, sampling, fielding, data processing, 1 banner of tables, and an electronic SPSS-ready data file, are listed below for 3 different sample sizes. The statistical margin for error at the 95 percent level of confidence is included with each sample size. Also, these costs do not include a final report.


Number of Interviews	Total study costs	Margin for error
200	[REDACTED]	$\pm 7\%$
300	[REDACTED]	$\pm 6\%$
400	[REDACTED]	$\pm 5\%$

Approved:

Marianne McDermott
Executive Vice President
for the Creating Card Association
September 19, 1997

DECLARATION

I, Ken C. Erickson, declare under penalty of perjury that the forgoing answers are true and correct, to the best of my knowledge, information and belief.

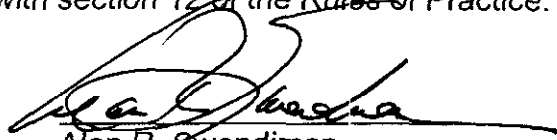


Ken C. Erickson

Dated: January 28, 1998

CERTIFICATE OF SERVICE

I hereby certify that I have on this date served this document upon all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.



Alan R. Swendiman

DATE: January 28, 1998